

North Shore Gas Company
Adjustment to Cash Working Capital
For the Test Year Ending December 31, 2010
(In Thousands)

Line No. (A)	Item (B)	Amount (C)	Lag (Lead) (D)	CWC Factor (D) / 365 (E)	CWC Requirement (C) x (E) (F)	Column (C) Source (G)
1	Revenues	\$ 222,721	40.84	0.11189	\$ 24,920	ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 2 of 3, Column C, Line 6
2	Pass Through Taxes	20,230	0.00	0.00000	-	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 19
3	Payroll and Withholdings	6,701	(14.74)	(0.04038)	(271)	ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 3 of 3, Column C, Line 4
4	Inter Company Billings	32,036	(36.93)	(0.10118)	(3,241)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 23
5	Natural Gas	162,813	(40.43)	(0.11077)	(18,034)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 24
6	Other Operations and Maintenance	7,912	(44.16)	(0.12099)	(957)	ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 2 of 3, Column C, Line 15
7	Federal Insurance Contributions (FICA)	638	(16.69)	(0.04573)	(29)	ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 3 of 3, Column C, Line 8
8	Federal Unemployment Tax	9	(76.38)	(0.20926)	(2)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 28
9	State Unemployment Tax	33	(76.38)	(0.20926)	(7)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 29
10	Property/Real Estate Taxes	195	(384.74)	(1.05408)	(206)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 30
11	Invested Capital Tax	1,623	(30.12)	(0.08252)	(134)	ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 3 of 3, Column C, Line 11
12	ICC Gas Revenue Tax	339	30.14	0.08258	28	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 15
13	Gross Receipts/Municipal Utility Tax	9,368	(74.82)	(0.20499)	(1,920)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 16
14	Energy Assistance Charges	1,548	(42.95)	(0.11767)	(182)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 17
15	Gas Revenue/Public Utility tax	8,975	(9.55)	(0.02616)	(235)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 18
16	Interest Expense	4,276	(91.25)	(0.25000)	(1,069)	ICC Staff Ex. 15.0, Sch. 15.5 N Corrected, Column B, Line 3
17	Federal Income Tax	563	(37.88)	(0.10378)	(58)	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 21
18	State Income Tax	497	(37.88)	(0.10378)	(52)	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 20
19	TOTAL				<u>\$ (1,449)</u>	Sum of Lines 1 through 18
20	Cash Working Capital per Staff		\$ (1,449)			ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page 1 of 3, Column F, Line 19
21	Cash Working Capital per Company		<u>348</u>			NS-PGL Ex. JH-2.6N, Cash Working Capital, Column I, Line 36
22	Difference -- Staff Adjustment		<u>\$ (1,797)</u>			ICC Staff Ex. 17.0, Sch. 17.1 N Corrected, Page, 1 of 3, Column D, Line 20 minus L

Note: Lag (Lead) is from NS-PGL Ex. JH-2.6N, Cash Working Capital, Column B

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Line No. (A)	Description (B)	Amount (C)	Source (D)
1	Total Operating Revenues	\$ 78,774	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 5
2	PGA Revenues	162,813	North Shore WP Ex. CG-2.3N Revised, Page 1 of 4
3	Uncollectible Accounts	(1,625)	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 6
4	Depreciation & Amortization	(9,428)	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 14
5	Return on Equity	<u>(7,813)</u>	Line 9 below
6	Total Revenues for CWC calculation	<u><u>\$ 222,721</u></u>	Sum of Lines 1 through 5
7	Total Return on Rate Base	\$ 13,952	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 24
8	Percentage Equity	<u>56.00%</u>	ICC Staff Ex. 22.0, Schedule 22.01
9	Return on Equity	<u><u>\$ 7,813</u></u>	Line 7 times Line 8
10	O & M Expenses	\$ 59,276	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 19
11	Payroll and Withholdings	(8,275)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column I, Line 22
12	Inter Company Billings	(32,036)	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column I, Line 23
13	Uncollectible Accounts	(1,625)	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 6
14	Depreciation & Amortization	<u>(9,428)</u>	ICC Staff Ex. 15.0, Sch. 15.1 N Corrected, Column I, Line 14
15	Other Operations & Maintenance	<u><u>\$ 7,912</u></u>	Sum of Lines 10 through 14

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Line (A)	Description (B)	Amount (C)	Source (D)
1	Payroll and Withholdings per Company Filing	\$ 8,275	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 22
2	Incentive Compensation Adjustment	(1,381)	ICC Staff Ex. 15.0, Schedule 15.7 N, Page 1 of 5, Column B, Line 16
3	Non-Union Wages Adjustment	<u>(193)</u>	ICC Staff Ex. 15.0, Schedule 15.8 N, Page 1 of 2, Column F, Line 7
4	Payroll and Withholdings per Staff	<u><u>\$ 6,701</u></u>	Sum of Lines 1 through 3
5	FICA Tax per Company Filing	\$ 795	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 27
6	Incentive Compensation Adjustment	(142)	ICC Staff Ex. 15.0, Schedule 15.7 N, Page 1 of 5, Column B, Line 22
7	Non-Union Wages Adjustment	<u>(15)</u>	ICC Staff Ex. 15.0, Schedule 15.8 N, Page 1 of 2, Column F, Line 8
8	FICA Tax per Staff	<u><u>\$ 638</u></u>	Sum of Lines 5 through 7
9	Invested Capital Tax per Company Filing	\$ 1,654	NS-PGL Ex. JH-2.6N, Cash Working Capital, Column H, Line 27
10	Invested Capital Tax Adjustment	<u>(31)</u>	ICC Staff Ex. 15.0, Schedule 15.9 N, Column B, Line 9
11	Invested Capital Tax per Staff	<u><u>\$ 1,623</u></u>	Sum of Lines 9 and 10